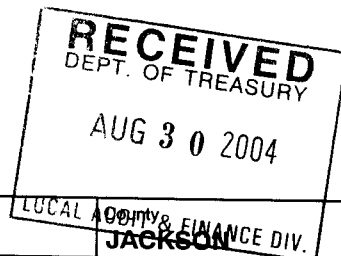


RIVES TOWNSHIP
JACKSON COUNTY - MICHIGAN
38-1130
FINANCIAL STATEMENTS AND
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS
Year Ended March 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name RIVES TOWNSHIP	
Audit Date 3/31/04	Opinion Date 5/24/04	Date Accountant Report Submitted to State: 8/26/04	



We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) DOVE & HICKEY PLC			
Street Address 209 E. WASHINGTON SUITE 255		City JACKSON	State MI
Accountant Signature <i>John Dove CPA</i>		ZIP 49201	Date 8/26/04

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Dove & Hickey, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

209 E. Washington Ave., Suite 255 • Jackson, Michigan 49201
Phone (517) 796-8880 • Fax (517) 796-8777

MEMBERS:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MICHIGAN ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

GEORGE DOVE, C.P.A.
PAUL T. HICKEY, C.P.A.
NANNETTE M. SPONSER, C.P.A.
STEVEN C. CHWATUN, C.P.A.
ALLISON I. COLE, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Township Board
Rives Township
Jackson County, Michigan

We have audited the accompanying general purpose financial statements of Rives Township as of and for the year ended March 31, 2004. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Rives Township as of March 31, 2004, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Rives Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Dove & Hickey, P.L.C.

May 24, 2004

RIVES TOWNSHIP
COMBINED BALANCE SHEET -
ALL FUND TYPES, ACCOUNT GROUPS, AND
DISCRETELY PRESENTED COMPONENT UNIT
March 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>FIDUCIARY FUND TYPE AGENCY</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	
<u>ASSETS</u>			
Cash	\$346,465	\$ 4,708	\$ 2
Due from other funds	-0-	-0-	-0-
Due from other governments	9,369	-0-	-0-
Fixed assets	-0-	-0-	-0-
Amount to be provided for retirement of general long-term debt	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>\$355,834</u>	<u>\$ 4,708</u>	<u>\$ 2</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$ 14,519	\$ -0-	\$ 2
Due to other funds	1,430	-0-	-0-
Due to other governments	2,847	-0-	-0-
Notes payable	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities	<u>18,796</u>	<u>-0-</u>	<u>2</u>
Fund Equity:			
Investment in general fixed assets	-0-	-0-	-0-
Fund balances:			
Designated	20,000	-0-	-0-
Unreserved/undesignated	<u>317,038</u>	<u>4,708</u>	<u>-0-</u>
Total fund equity	<u>337,038</u>	<u>4,708</u>	<u>-0-</u>
Total liabilities and fund equity	<u>\$355,834</u>	<u>\$ 4,708</u>	<u>\$ 2</u>

See accompanying notes to financial statements.

ACCOUNT
GROUP
GENERAL
FIXED
ASSETS

COMPONENT
UNIT

\$ -0-	\$ 1,022
-0-	1,430
-0-	-0-
530,360	733,007
<u>-0-</u>	<u>236,390</u>
<u>\$530,360</u>	<u>\$971,849</u>

\$ -0-	\$ 2,452
-0-	-0-
-0-	-0-
<u>-0-</u>	<u>236,390</u>
<u>-0-</u>	<u>238,842</u>

530,360	733,007
-0-	-0-
<u>-0-</u>	<u>-0-</u>
<u>530,360</u>	<u>733,007</u>
<u>\$530,360</u>	<u>\$971,849</u>

RIVES TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNIT
Year Ended March 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>COMPONENT UNIT</u>
REVENUES:			
Taxes	\$ 76,934	\$ -0-	\$ -0-
Licenses, permits and fees	5,364	45,692	-0-
State shared revenue	332,263	-0-	-0-
Charges for services	56,340	-0-	5,927
Interest and rentals	4,593	-0-	33
Other revenue	<u>10,041</u>	<u>-0-</u>	<u>105,258</u>
Total revenues	<u>485,535</u>	<u>45,692</u>	<u>111,218</u>
EXPENDITURES:			
Current:			
Township Board	50,117	-0-	-0-
Supervisor/Assessor	43,920	-0-	-0-
Elections	9,221	-0-	-0-
Clerk	34,223	-0-	-0-
Treasurer	35,564	-0-	-0-
Township hall and grounds	5,962	-0-	-0-
Street lights	4,391	-0-	-0-
Building Authority	8,697	41,763	-0-
Highways, streets and bridges	45,000	-0-	-0-
Drains	1,890	-0-	-0-
Sanitation	84,882	-0-	-0-
Planning	4,327	-0-	-0-
Public safety	40,153	-0-	114,143
Cemetery	10,615	-0-	-0-
Medicare and social security tax	14,156	-0-	4,473
Capital outlay	-0-	-0-	8,522
Debt service:			
Principal	-0-	-0-	68,188
Interest	<u>-0-</u>	<u>-0-</u>	<u>12,100</u>
Total expenditures	<u>393,118</u>	<u>41,763</u>	<u>207,426</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>92,417</u>	<u>3,929</u>	<u>(96,208)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-0-	-0-	96,208
Operating transfers (out)	<u>(96,208)</u>	<u>-0-</u>	<u>-0-</u>
Total other financing sources (uses)	<u>(96,208)</u>	<u>-0-</u>	<u>96,208</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDI- TURES AND OTHER USES	(3,791)	3,929	-0-
FUND BALANCE - APRIL 1	<u>340,829</u>	<u>779</u>	<u>-0-</u>
FUND BALANCE - MARCH 31	<u>\$337,038</u>	<u>\$ 4,708</u>	<u>\$ -0-</u>

See accompanying notes to financial statements.

RIVES TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUNDS
Year Ended March 31, 2004

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Taxes	\$ 60,000	\$ 76,934	\$ 16,934
Licenses, permits, and fees	4,500	5,364	864
State shared revenue	345,000	332,263	(12,737)
Charges for services	50,000	56,340	6,340
Interest and rentals	4,500	4,593	93
Other revenue	<u>85,000</u>	<u>10,041</u>	<u>(74,959)</u>
Total revenues	<u>549,000</u>	<u>485,535</u>	<u>(63,465)</u>
EXPENDITURES:			
Current:			
Township Board	87,400	50,117	37,283
Supervisor/Assessor	56,300	43,920	12,380
Elections	25,000	9,221	15,779
Clerk	40,050	34,223	5,827
Treasurer	40,250	35,564	4,686
Township hall and grounds	17,500	5,962	11,538
Street lights	5,500	4,391	1,109
Building Authority	18,500	8,697	9,803
Highways, streets and bridges	47,000	45,000	2,000
Drains	2,000	1,890	110
Sanitation	100,000	84,882	15,118
Planning	8,000	4,327	3,673
Public safety	284,600	40,153	244,447
Cemetery	15,000	10,615	4,385
Medicare and social security tax	20,500	14,156	6,344
Other	20,000	-0-	20,000
Capital outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total expenditures	<u>787,600</u>	<u>393,118</u>	<u>394,482</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(238,600)</u>	<u>92,417</u>	<u>331,017</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-0-	-0-	-0-
Operating transfers (out)	<u>(15,000)</u>	<u>(96,208)</u>	<u>(81,208)</u>
Total other financing sources (uses)	<u>(15,000)</u>	<u>(96,208)</u>	<u>(81,208)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDI- TURES AND OTHER USES	<u>(253,600)</u>	<u>(3,791)</u>	<u>249,809</u>
FUND BALANCE - APRIL 1	<u>317,845</u>	<u>340,829</u>	<u>22,984</u>
FUND BALANCE - MARCH 31	<u>\$ 64,245</u>	<u>\$337,038</u>	<u>\$272,793</u>

See accompanying notes to financial statements.

SPECIAL REVENUE FUND

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
\$ -0-	\$ -0-	\$ -0-
31,000	45,692	14,692
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>31,000</u>	<u>45,692</u>	<u>14,692</u>
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
46,000	41,763	4,237
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>46,000</u>	<u>41,763</u>	<u>4,237</u>
<u>(15,000)</u>	<u>3,929</u>	<u>18,929</u>
15,000	-0-	(15,000)
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>15,000</u>	<u>-0-</u>	<u>(15,000)</u>
-0-	3,929	3,929
<u>-0-</u>	<u>779</u>	<u>779</u>
\$ <u>-0-</u>	\$ <u>4,708</u>	\$ <u>4,708</u>

RIVES TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
March 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", these financial statements present the Township (primary government) and its component unit. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

Discretely Presented Component Unit

The component unit is for the joint fire protection and rescue of Rives and Tompkins Townships' residents. Rives Township keeps the records and makes all payments for the joint fire board. Oversight and operating expenses are shared equally by the Townships. Expenses relating to the maintenance and upkeep of the fire stations are paid by the Township where the station is located. Financial presentation of this component unit in these financial statements is discrete. There are no separately issued financial statements.

Basis of Presentation

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The various funds and account groups of the Township are as follows:

Governmental Funds:

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specific purposes. The Special revenue fund is used for building construction enforcement.

Fiduciary Funds:

Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations or other governmental units. The Township utilizes a current tax collection agency fund to account for current property tax revenues collected and a trust and agency fund for trailer park fees received.

RIVES TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
March 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Account Groups:

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from government funds.

Basis of Accounting

All governmental funds utilize the modified accrual basis of accounting. Under this method, revenues are recorded when received in cash except for those susceptible to accrual, which are recorded as receivables when measurable and as revenues when available to finance current operations. Revenues susceptible to accrual include expenditure reimbursement type grants, certain intergovernmental revenues and operating transfers. Expenditures are recorded when the liability is incurred, except for interest on long-term debt, which is recorded when paid. The financial activity of the Agency Funds is limited to collection of amounts which are subsequently returned or paid to third parties and, accordingly, are limited to cash transactions.

Budgets

Governmental funds are under formal budgetary control. Budgets shown in the financial statements were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those contained in the formal budget approved by the Township Board. Budgetary control is exercised at the activity level. Any revisions to the budget must be approved by the Township Board. For the year ended, the original budgeted expenses of \$802,600 were not increased for the General Fund; however, budget amendments were made at the activity level. The original budgeted expenses of \$46,000 were not increased for the Special Revenue Fund. The amended budget for the General Fund and original budget for the Special Revenue Fund are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds.

RIVES TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
March 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Revenue Recognition

Property tax revenue is normally recognized in the year for which taxes have been levied, provided they are collectible during the year or within 60 days following that fiscal year's end. Delinquent property taxes are turned over to the County which reimburses the Township from its Revolving Tax Fund.

Fixed Assets

Fixed assets used in governmental fund type operations are recorded as expenditures in the fund at time of purchase. Purchased assets are then capitalized at cost where historical records are available and at estimated historical cost where no record exists in the general fixed assets group of accounts. Donated assets are valued at their estimated fair market value on the date received. No depreciation is provided on these fixed assets.

Public domain fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized.

Reserves and Designations

Portions of fund equity are segregated for future use and, therefore, are not available for current appropriations or expenditures.

Interfund Transactions

Operating transfers reported as other financing sources or uses in the accompanying financial statements reflect the transfer of operating subsidies from one fund to another.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RIVES TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
March 31, 2004

2. INTERFUND BALANCES

Interfund Receivables

The following are the interfund receivables at March 31, 2004:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>	<u>Total</u>
Component Unit	General Fund	\$ <u>1,430</u>	\$ <u>1,430</u>

3. DUE FROM OTHER GOVERNMENTS

The \$9,369 in the General Fund represents \$6,905 due from the County's revolving tax fund and \$2,464 due from Tompkins Township for fire and rescue expenses as of March 31, 2004.

4. DESIGNATED FUND BALANCE

Designated fund balance consists of \$20,000 of fund equity designated by the board for the state purchase development program.

5. CURRENT TAX COLLECTION AGENCY FUND

The Township collected \$2,363,932 in property tax and interest monies. These monies were distributable to the following governmental units:

Jackson Intermediate Schools	\$ 640,022
Ingham Intermediate Schools	64,858
Jackson County	1,142,677
Leslie School	107,431
Northwest School	319,467
Rives Township - General Fund	69,934
State of Michigan	10,429
Others	<u>9,114</u>
Total	<u>\$2,363,932</u>

RIVES TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
March 31, 2004

6. TRUST AND AGENCY FUND

The Township collected \$12,576 in trailer park fees and delinquent property tax monies. The monies were distributable to the following governmental units:

Jackson County	\$ 10,480
Rives Township - General Fund	<u>2,096</u>
Total	<u>\$ 12,576</u>

7. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	BALANCE <u>4/1/03</u>	ADDITIONS	DELETIONS	BALANCE <u>3/31/04</u>
Land and improvements	\$ 248,467	\$ -0-	\$ -0-	\$ 248,467
Buildings and memorials	210,591	14,103	-0-	224,694
Office equipment and furniture	38,979	-0-	-0-	38,979
Park equipment	3,220	-0-	-0-	3,220
Election equipment	<u>15,000</u>	<u>-0-</u>	<u>-0-</u>	<u>15,000</u>
Total	<u>\$ 516,257</u>	<u>\$ 14,103</u>	<u>\$ -0-</u>	<u>\$ 530,360</u>

A summary of changes in fixed assets of the Rives-Tompkins Joint Fire-Rescue Department component unit follows:

	BALANCE <u>4/1/03</u>	ADDITIONS	DELETIONS	BALANCE <u>3/31/04</u>
Fire trucks	\$ 434,684	\$ 88,500	\$ 7,600	\$ 515,584
Fire equipment	<u>217,423</u>	<u>-0-</u>	<u>-0-</u>	<u>217,423</u>
Total	<u>\$ 652,107</u>	<u>\$ 88,500</u>	<u>\$ 7,600</u>	<u>\$ 733,007</u>

RIVES TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
March 31, 2004

8. PROPERTY TAXES

The Township property tax is levied each December 1, on the assessed valuation of property located in the Township as of the preceding December 31, the lien date. Assessed values are established annually by the County and are equalized by the State at an estimated 50% of current market value. The 2003 taxable value of the Township totaled \$95,329,590, on which ad valorem taxes of .8045 mills were levied for Township operating purposes.

Property tax revenues are recognized when they become available. Property taxes are considered available when levied. The tax levy date for the year ended March 31, 2004, is December 1, 2003. The collection period for property taxes levied December 1, 2003, is from the levy date to February 29, 2004, when they are turned over to the County for collection.

9. BALANCE SHEET - CASH AND INVESTMENTS

Deposits are carried at cost. Deposits are in four banks in the name of the Township. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosures for Rives Township's cash deposits at March 31, 2004, are as follows:

BANK BALANCE

<u>DEPOSITS</u>	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT</u>	<u>TOTAL</u>
Insured (FDIC)	\$298,978	\$ 1,022	\$300,000
Uninsured	<u>52,744</u>	<u>-0-</u>	<u>52,744</u>
Total deposits	<u>\$351,722</u>	<u>\$ 1,022</u>	<u>\$352,744</u>

At March 31, 2004, the balance sheet carrying amount of deposits was \$351,175 for the primary government and \$1,022 for the component unit.

RIVES TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
March 31, 2004

9. BALANCE SHEET - CASH AND INVESTMENTS (Continued)

In accordance with GASB Statement No. 3, investments are classified into three categories of credit risk as follows:

Category 1: Insured or registered, or securities held by the Township or its agent in the Township's name.

Category 2: Uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the Township's name.

Category 3: Uninsured and unregistered, with the securities held by the counterparty or by its trust department or agent but not in the Township's name.

At March 31, 2004, the Township had no Category 1-3 credit risk investments.

10. LONG-TERM DEBT

Component Unit:

The following is a summary of the general long-term debt as of March 31, 2004.

Note payable - installment purchase agreement,
dated April 16, 2001, under Act 99 in the
amount of \$263,131 to finance the purchase of
two fire trucks. Principal and interest payments
of \$61,788 are due annually on April 23.

Note payable - installment purchase agreement,
dated December 1, 2003, under Act 99 in the
amount of \$88,500 to finance the purchase of
a rescue truck. Principal and interest payments
of \$16,278 are due annually on November 1.

<u>INTEREST RATE</u>	<u>BALANCE 3/31/03</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE 3/31/04</u>
5.600%	\$ 216,078	\$ -0-	\$ 49,688	\$ 166,390
5.275%	<u>-0-</u>	<u>88,500</u>	<u>18,500</u>	<u>70,000</u>
Total long-term debt outstanding at March 31, 2004	<u>\$216,078</u>	<u>\$ 88,500</u>	<u>\$ 68,188</u>	<u>\$ 236,390</u>

RIVES TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
March 31, 2004

10. LONG-TERM DEBT (Continued)

Component Unit (Continued):

The annual principal and interest requirements through maturity for the debt outstanding as of March 31, 2004, is:

<u>YEARS</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$ 65,240	\$ 12,826	\$ 78,066
2006	68,615	9,451	78,066
2007	72,425	5,641	78,066
2008	14,661	1,617	16,278
2009	15,449	829	16,278
Thereafter	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	\$ <u>236,390</u>	\$ <u>30,364</u>	\$ <u>266,754</u>

11. CONTINGENCIES

The Township entered into an agreement with Jackson County regarding a proposed sanitary sewers project. The Township has agreed to reimburse the County for expenses in connection with the project, if the project is not completed. The Township believes that the project will be implemented at some date in the future. The amount due the County, if any, can not be determined at this time.

SUPPLEMENTARY INFORMATION

RIVES TOWNSHIP
COMBINING BALANCE SHEET
ALL AGENCY FUND TYPES
March 31, 2004

	<u>CURRENT TAX COLLECTION FUND</u>	<u>TRUST AND AGENCY FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ <u>1</u>	\$ <u>1</u>	\$ <u>2</u>
Total assets	\$ <u><u>1</u></u>	\$ <u><u>1</u></u>	\$ <u><u>2</u></u>
<u>LIABILITIES</u>			
Due to other funds	\$ -0-	\$ -0-	\$ -0-
Due to county	-0-	-0-	-0-
Due to schools	-0-	-0-	-0-
Due to State of Michigan	-0-	-0-	-0-
Other	<u>1</u>	<u>1</u>	<u>2</u>
Total liabilities	\$ <u><u>1</u></u>	\$ <u><u>1</u></u>	\$ <u><u>2</u></u>

See accompanying notes to financial statements.

RIVES TOWNSHIP
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 Year Ended March 31, 2004

	<u>CURRENT TAX COLLECTION FUND</u>			
	<u>BALANCE</u>			<u>BALANCE</u>
	<u>4/1/03</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>3/31/04</u>
<u>ASSETS</u>				
Cash	\$ <u>1</u>	\$ <u>2,363,932</u>	\$ <u>2,363,932</u>	\$ <u>1</u>
Total assets	\$ <u>1</u>	\$ <u>2,363,932</u>	\$ <u>2,363,932</u>	\$ <u>1</u>
<u>LIABILITIES</u>				
Due to other funds	\$ -0-	\$ 69,934	\$ 69,934	\$ -0-
Due to county	-0-	1,142,677	1,142,677	-0-
Due to schools	-0-	1,131,778	1,131,778	-0-
Due to State of Michigan	-0-	10,429	10,429	-0-
Other	<u>1</u>	<u>9,114</u>	<u>9,114</u>	<u>1</u>
Total liabilities	\$ <u>1</u>	\$ <u>2,363,932</u>	\$ <u>2,363,932</u>	\$ <u>1</u>

See accompanying notes to financial statements.

TRUST AND AGENCY FUND

<u>BALANCE</u> <u>4/1/03</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>3/31/04</u>	<u>TOTAL</u>
\$ <u>22</u>	\$ <u>12,576</u>	\$ <u>12,597</u>	\$ <u>1</u>	\$ <u>2</u>
\$ <u>22</u>	\$ <u>12,576</u>	\$ <u>12,597</u>	\$ <u>1</u>	\$ <u>2</u>
\$ 3	\$ 2,096	\$ 2,099	\$ -0-	\$ -0-
18	10,480	10,498	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
<u>1</u>	<u>-0-</u>	<u>-0-</u>	<u>1</u>	<u>2</u>
\$ <u>22</u>	\$ <u>12,576</u>	\$ <u>12,597</u>	\$ <u>1</u>	\$ <u>2</u>

Dove & Hickey, P.L.C.

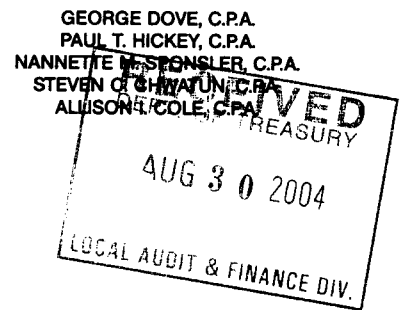
CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MICHIGAN ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS



May 24, 2004

Township Board
Rives Township
Jackson County, Michigan

Board Members:

We have audited the general purpose financial statements of Rives Township for the year ended March 31, 2004, and we have rendered our opinion thereon dated May 24, 2004. Based upon our audit, we offer the following comments:

Fire Board Meetings

We noted that there were no minutes taken at the Fire Board meetings. Minutes should be kept as a permanent record of the actions taken at these meetings.

Building Permits

During testing we noted that several building permit fees were not the correct amount according to the fee schedule. Please take care to calculate these correctly.

We appreciate the opportunity to serve you. If you have any questions regarding this letter, please contact us.

Respectfully yours,

Dove & Hickey, P.L.C.